



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery

Director
Oil Conservation Division

8/17/01

Yates Petroleum Corp.
105 South 4th Street
Artesia, New Mexico 88210

Dear Sirs:

A segregation and/or packer leakage test is to be filed with this office annually. Please test the subject well(s) and send the results no later than 15 October, 2003.

Please notify this office 72 hours prior to the test in order that our representative may be present to witness the test.

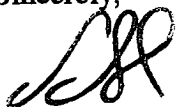
SOUTHEAST NEW MEXICO PACKER LEAKAGE TEST forms should be submitted in triplicate.
Please send the original and two copies of the test chart.

If you no longer operate the well(s) listed, have received a down hole commingle permit, or abandoned one zone please contact me at 505-748-1283.

Well	LOCATION	API #
ENGWALL RL FEDERAL #003	I-04-09S-26E	30-005-63244
IBIS XU STATE COMM #002	C-25-09S-26E	30-005-62582
WITZ VN STATE #003	I-26-09S-26E	30-005-62626
ALLIED AUS STATE COM #002	L-33-09S-26E	30-005-63287
TERRA 35 STATE #001	H-35-09S-26E	30-005-62653
KENO AWK STATE #002	J-04-10S-26E	30-005-63318
LUCKY WOLF ATB STATE COM #001	I-32-16S-27E	30-015-30623
MARATHON AGI STATE #001	A-33-17S-24E	30-015-10268
SIEGENTHALER IS COM #001	I-21-17S-26E	30-015-22329
TIDWELL ED COM #001	P-22-17S-26E	30-015-21445
HNULIK EJ COM #001	D-26-17S-26E	30-015-21558
WINSTON AII #001	E-14-19S-24E	30-015-26498

In the event that a satisfactory response is not received to this letter 15 October, 2003, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of **CIVIL PENALTIES** for your violation of OCD rules.

Sincerely,

A handwritten signature in black ink, appearing to be 'VB' or similar, written in a cursive style.

Van Barton
Field Rep. II